

ORDINANCE No. 188839

*Authorize Intergovernmental Agreement with Home Forward to provide asset management and development consulting services for Portland Housing Bureau owned properties to satisfy the Housing Bond Production Goal (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. In November 2016, Portland voters approved Portland City Council Measure 26-179, authorizing the City to issue up to \$258,400,000 in general obligation bonds ("Portland's Housing Bond" or "the Bond") for affordable housing. PHB plans to use the Bond proceeds to purchase land to develop new affordable, and to purchase existing occupied rental housing.
2. In April 2017, the Portland Housing Bureau (PHB) convened the Stakeholder Advisory Group (SAG) to create a Framework to guide bond investments and operations. The Portland City Council accepted the Stakeholder Advisory Group Framework ("SAG Framework") in October of 2017. The SAG Framework established the following goals:
 - a. "Productions Goals": The bond targets construction and/or acquisition of a minimum of 1,300 housing units affordable for households with incomes at or below 60% of the Area Median Income (AMI). Of these 600 are targeted for households earning 0-30% AMI, including 300 units of Permanent Supportive Housing (PSH) and other supportive housing, provided services funding is secured; and 650 are targeted to be larger size (2 or more bedrooms) for families.
 - b. "Priority Communities" to further the communitywide goals of preventing displacement, advancing racial equity, and making a visible impact on ending homelessness. By aligning a targeted number of bond-financed housing units with the homeless service system, culturally specific organizations, and other community organizations, PHB will seek to create housing opportunities for families and individuals impacted by racism, housing discrimination, homelessness, and displacement, with a particular focus on: Communities of Color; Families, including families with children, immigrant and refugee communities, and intergenerational households; Households experiencing homelessness or at imminent risk of becoming homeless; and Households facing imminent displacement.
 - c. "Guidelines for Development": Development should advance equity in access to development opportunities, through culturally specific partnerships, and create housing that is culturally appropriate in design and form; increase Disadvantaged/Minority/Women/ Emerging Small Business goals, Workforce Training and Hiring policies, and other community benefits; and meet green building and accessibility standards.

- d. "Guidelines for Operations": Effective structures and processes for both asset and property management are vitally important to preserve the quality and financial viability of affordable housing. Asset management strategies should sustain the physical and financial viability of the housing asset. Property management activities should support the mission and goals of the housing and foster tenants' housing stability and independence.
- 3. General Obligation Bonds have legal restrictions that require any housing funded with the Bond that are constructed or acquired needs to be owned by the City. In accordance with state law, construction (new or rehabilitation) will be considered public improvement projects and therefore subject to Oregon Public Contracting Code.
- 4. Prior to the passage of the Bond, PHB has primarily acted as a funder of affordable housing and not an owner or developer.
- 5. PHB also has not traditionally acted as an asset manager of occupied buildings.
- 6. Home Forward has deep expertise as both an owner, developer and asset manager of affordable housing. Home Forward is uniquely situated as a government entity that is subject to the Oregon Public Contracting Code, which will allow Home Forward to issue solicitations on PHB's behalf.
- 7. Home Forward has been the City of Portland's housing partner since its creation by the Portland City Council in 1941. Home Forward has a depth of expertise in affordable housing management, and is a strategic partner in the City and Multnomah County's plan to address the homelessness, the A Home for Everyone Plan. Home Forward also partnered early with the City on the delivery and success of the Bond, committing resources to help create 400 of the 600 deeply affordable units under the bond.

Home Forward manages a portfolio of over 6,000 units of affordable housing, and has deep expertise in effectively managing housing with supportive services, like the Richard Harris Building, the Jeffrey, and the Bud Clark Commons.

- 8. PHB and Home Forward wish to partner to most quickly and efficiently reach the SAG Framework Goals, and to successfully manage housing created under Portland's Housing Bond for its financial health and the benefit of the residents of the bond properties. Leveraging Home Forward's significant asset management experience and expertise, will avoid the expense and delay otherwise resulting from PHB building and training additional staff necessary to perform this work.
- 9. The parties also wish to partner on immediate development work on a short-term basis. Specifically, PHB would like to employ Home Forward's technical assistance on certain projects currently under evaluation or development. This

short-term partnership will inform the content of a longer-term agreement for Home Forward to provide technical services for projects commenced to satisfy the Bond Production Goal.

10. PHB and Home Forward are both committed to reaching the Goals as delineated in the SAG Framework.

NOW THEREFORE, The Council directs:

- a. The Director of Portland Housing Bureau is hereby authorized to enter into an intergovernmental agreement with Home Forward, in a form similar to the agreement attached as Exhibit A.
- b. The Director of Portland Housing Bureau is further authorized to pay Home Forward for services rendered per those included in the Intergovernmental Agreement.

Section 2. The Council declares an emergency exists due to the necessity of current City-owned properties requiring asset management oversight and the limited timeline of Housing Bond production goals. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: **FEB 28 2018**

Mayor Wheeler

Prepared by: Tanya Wolfersperger

Date Prepared: 01/31/2018

Mary Hull Caballero

Auditor of the City of Portland


By Deputy



Agenda No.
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Title

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Portland Housing Bureau

<p align="center">INTRODUCED BY Commissioner/Auditor: Mayor Ted Wheeler</p> <p align="center">COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p> <p align="center">BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: Shannon Callahan</p> <p>Prepared by: Tanya Wolfersperger Date Prepared: 01/31/18</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter</p> <p>Council Meeting Date February 28, 2018</p>	<p>CLERK USE: DATE FILED <u>FEB 20 2018</u></p> <p align="center">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p> <p>ACTION TAKEN:</p>
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<p align="center">AGENDA</p> <p>TIME CERTAIN <input type="checkbox"/> Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input checked="" type="checkbox"/> 20</p> <p>Total amount of time needed: 15 minutes (for presentation, testimony and discussion)</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:30%;">FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> <tr> <td>1. Fritz</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>2. Fish</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td align="center">_____</td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td align="center">✓</td> <td></td> </tr> <tr> <td>Wheeler</td> <td align="center">✓</td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	✓		2. Fish	✓		3. Saltzman	_____		4. Eudaly	✓		Wheeler	✓	
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